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September 13, 2002

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**VIA HAND DELIVERY**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Attention: Wireline Competition Bureau

Re: CC Docket No. 01-139

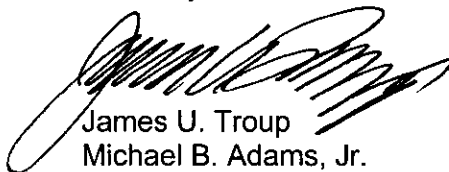
In the Matter of Iowa Telecommunications Services, Inc. –  
Application for order pursuant to Section 251(h) of the  
Communications Act of 1934, as amended, deeming  
Lost Nation-Elwood Telephone Company to be an  
Incumbent Local Exchange Carrier

Dear Ms. Dortch:

Transmitted herewith on behalf of Iowa Telecommunications Services, Inc. ("Iowa Telecom"), we are attaching an original and three (3) copies of its motion to withdraw the above-referenced application to have Lost Nation-Elwood Telephone Company declared an incumbent local exchange carrier in the Oxford Junction, Iowa exchange. This application is currently pending before the Commission.

Please date-stamp and return the enclosed extra copy of this filing. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Sincerely,



James U. Troup  
Michael B. Adams, Jr.

*Counsel for Iowa Telecommunications  
Services, Inc.*

Attachments

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List ABCDE

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

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In the Matter of	)	
	)	
<b>Iowa Telecommunications Services, Inc.</b>	)	CC Docket No. 01-139
	)	
Application for order pursuant to	)	
Section 251(h)(2) of the Communications	)	
Act of 1934, as amended, deeming Lost	)	
Nation-Elwood Telephone Company to	)	
be an Incumbent Local Exchange Carrier	)	

**MOTION TO WITHDRAW APPLICATION**

On June 18, 2001, Iowa Telecommunications Services, Inc. ("Iowa Telecom") filed an application requesting that the Commission designate Lost Nation-Elwood Telephone Company ("Lost Nation") to be the incumbent local exchange carrier ("ILEC") in Oxford Junction, Iowa, and reclassify Iowa Telecom as a competitive local exchange carrier ("CLEC") pursuant to Section 251(h)(2) of the Communications Act of 1934, as amended, 47 U.S.C. § 251(h)(2).

Due to changed circumstances, Iowa Telecom no longer desires to pursue this change in classification at this time. Iowa Telecom therefore respectfully moves for Commission approval of its withdrawal of the Section 251(h)(2) application concerning Oxford Junction without prejudice. In support hereof, Iowa Telecom states as follows:

Lost Nation is a service provider that has long operated as the ILEC in the communities of Lost Nation and Elwood, Iowa. In 1996, residents of neighboring Oxford Junction asked that Lost Nation provide service in their community as a CLEC, in order to compete with GTE Corp. ("GTE"), which was then the incumbent carrier in their exchange. In 1997, Lost Nation constructed a remote switch that would serve Oxford Junction, which ran off a pre-existing Lost Nation host switch in its ILEC service area. Lost Nation also installed 22.5 miles of fiber optic

cable, as well as copper plant. After initiating service in November of 1997, Lost Nation proceeded to win the majority of the customers in Oxford Junction from GTE.

Iowa Telecom purchased GTE's ILEC operations in the Oxford Junction exchange in 2000, as part of a larger acquisition of GTE properties across the State of Iowa. Although Iowa Telecom currently serves as the ILEC in GTE's shoes, Lost Nation currently serves approximately 94 percent of the total access lines in Oxford Junction.

In the application that opened this proceeding in 2001, Iowa Telecom requested that the Commission reclassify Lost Nation as the ILEC in the Oxford Junction exchange. Correspondingly, Iowa Telecom asked to be reclassified as the CLEC. Iowa Telecom indicated that under the terms of Section 251(h)(2), Lost Nation had "substantially replace[d]" Iowa Telecom as the dominant carrier, and occupied a position in the market that is comparable to that once held by GTE and Iowa Telecom.

The Commission issued a Public Notice on June 25, 2001, which docketed Iowa Telecom's application and requested comments from interested parties.<sup>1</sup> The comment cycle closed on August 9, 2001, without any comments being filed.

Iowa Telecom has now determined, however, that it no longer wants to pursue reclassification as a CLEC in the Oxford Junction exchange. Iowa Telecom therefore intends to withdraw its Section 251(h)(2) application without prejudice, prior to any decision being entered on its merits.

There are several factors that have led to this decision. First, after careful consideration of the impact of competition on its local exchange markets, Iowa Telecom believes that changing to

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<sup>1</sup> See Pleading Cycle Established for Comments on Application of Iowa Telecommunications Services, Inc. for Order Pursuant to Section 251(h)(2), Public Notice, DA 01-1517 (rel. June 25, 2001).

CLEC status in Oxford Junction at this time might imply that it is exiting its local exchange markets. While the Commission is aware from Iowa Telecom's initial application and other recent filings that neither of these situations is true, Iowa Telecom nonetheless wants to proceed very cautiously in this volatile environment.

The second factor confronting Iowa Telecom is regulatory uncertainty. Iowa Telecom is concerned about the outcome of the Commission's reconsideration of its rules governing line sharing and unbundled network elements ("UNEs"), which the Commission is performing as part of its Triennial Review.<sup>2</sup> In addition to these parallel proceedings, Iowa Telecom also needs to evaluate the impact of the Commission's ongoing restructuring of access charges and Universal Service on its current operations, as well as upon rural CLECs, before proceeding further with reclassification as a CLEC in any of its exchanges.

The third factor concerns Iowa Telecom's plans to overhaul and reconfigure its network facilities throughout the State of Iowa. As the Commission is aware from recent filings by Iowa Telecom, the company has developed a network evolution plan for upgrading, modernizing or replacing many of its existing switches.<sup>3</sup> While these network changes would not affect Iowa Telecom's ability to serve Oxford Junction, they may substantially reduce Iowa Telecom's costs of serving the community, while potentially improving the array of features and services that Iowa Telecom can offer to its residents.

It is also clear that permitting Iowa Telecom to withdraw its petition will not harm the public interest. Maintaining the current *status quo* between Iowa Telecom and Lost Nation will

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<sup>2</sup> See Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, Notice of Proposed Rulemaking, 16 FCC Rcd 22781 (2001), comment deadline extended, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, Order, 17 FCC Rcd 8114 (2002).

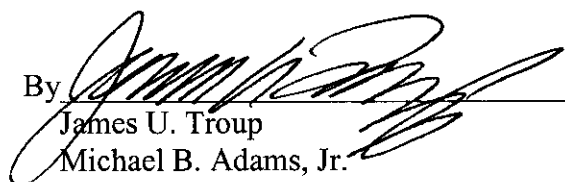
<sup>3</sup> See, e.g., Comments of Iowa Telecommunications Services in CC Dkts 99-200, 96-98 and 95-116, at 11 (filed May 6, 2002).

not harm consumers in Oxford Junction. Local competition is thriving in Oxford Junction, and will continue to be so. Moreover, Iowa Telecom states that it is both capable and willing to continue serving as the ILEC for interconnection and resale purposes under Section 251 of the Telecommunications Act of 1996.

WHEREFORE, for the reasons stated herein, Iowa Telecom respectfully moves the Commission for leave to withdraw its Application for a determination under Section 251(h)(2) of the Communications Act that Lost Nation is an ILEC in Oxford Junction, and that Iowa Telecom is a CLEC in Oxford Junction.

Respectfully submitted,

By

A handwritten signature in black ink, appearing to read "Michael B. Adams, Jr.", is written over a horizontal line.

James U. Troup

Michael B. Adams, Jr.

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*Counsel for Iowa Telecommunications  
Services, Inc.*

Dated: September 13, 2002

**CERTIFICATE OF SERVICE**

I, Michael B. Adams, Jr., an attorney with the law firm McGuireWoods LLP, hereby certify that on this 13th day of September, 2002, I caused a true and correct copy of the foregoing Motion to be served on the following via First Class U.S. Mail or by hand delivery, as indicated:

Janice Myles \*  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

\* = denotes hand delivery

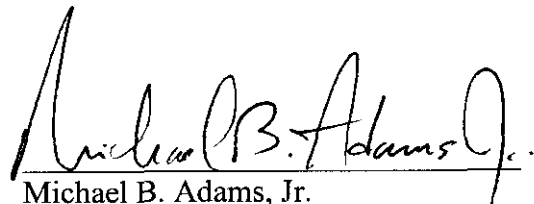
Paul Garnett \*  
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Cathy Carpino \*  
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Ronald Christianson  
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Qualex International \*  
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Michael B. Adams, Jr.